

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION V

DATE: JUN 23 1982

SUBJECT: United States Steel (USS) Meeting

FROM: A. H. Manzardo, Chief  
Permits Section

TO: The Record

On June 17, 1982, a meeting was held in the Regional Office with representatives of USS Corporation, the Regional Administrator and staff from ORC, AMD and WD to discuss environmental matters at the Gary Works, South Works and Lorain Works. The meeting was held in response to a June 8, 1982, letter to the Regional Administrator from Paul X. Masciantonio, Vice President, Environment and Engineering. USS had assessed several plans for reducing operating costs which included several air and water environmental areas which they wanted to discuss with EPA. In addition to Mr. Masciantonio, USS was represented by Michael Hanson and Richard D. Worek. The WD was represented by Irv Dzikowski and me.

During the discussion on water issues it was clearly stated by EPA that we could not make any commitments without State concurrence since the States have the responsibility and the lead in the NPDES permit issuance process. It was further stated that our interest was to assure that permits were processed consistent with the recently promulgated iron and steel effluent guidelines and appropriate water quality standards. USS was also informed that we are providing technical assistance to the States and are available to meet with the States and USS, as necessary, to facilitate the issuance of permits that are consistent with guidelines and State standards.

We reviewed our understanding of the status of each facility in the permitting process and suggested USS to contact the States if they had further questions.

Mr. Masciantonio responded that he did not expect any big problems with the NPDES permits and that they would contact the States if necessary. He suggested that we meet again for a status report in the future. However, no time was set for a future meeting. The remainder of the meeting was devoted to air environmental matters.

cc: ✓ Dzikowski  
Pratt  
Bryson



PHILIP X. MASCIANTONIO  
VICE PRESIDENT  
ENVIRONMENT & ENERGY

600 GRANT STREET  
PITTSBURGH, PENNSYLVANIA 15230

June 8, 1982

Mr. Valdas Adamkus  
Regional Administrator  
United States Environmental Protection Agency  
Region V  
230 South Dearborn Street  
Chicago, Illinois 60604

Attention: Louise Smith

Dear Mr. Adamkus:

We are looking forward to meeting with you at 2:00 P.M., June 17, 1982 at your offices in Chicago. In addition to myself, there will probably be two or three other U. S. Steel representatives present.

We plan to discuss environmental matters at our steel plants in Region V, which encompasses Gary Works, South Works and Lorain Works.

As you may be aware, our plants in Region V, along with the domestic steel industry generally, are suffering through very difficult economic times. At the present time United States Steel Corporation's steel plants are operating at only about 30 percent of capacity.

At South Works, starting in June, there will be no blast furnaces operating although there are two remaining furnaces at that plant. At Lorain Works only one of four blast furnaces is operating and at Gary Works only two of six furnaces are operating. The coke and steel producing facilities have been cut back accordingly.

At South Works the employment has decreased from a peak of 10,000 in the last 12 years to the present figure of less than 3,000, a reduction of over 70 percent.

At Lorain Works the employment has decreased from a peak of 8,600 in recent years to about 3,600 at present, a reduction of 58 percent.

At Gary, including tubing specialties, the number of employees has decreased from a peak of 25,000 in the early 1970's to about 15,300 at present, a reduction of 39 percent.



Last and most significant, there is no indication that conditions will improve over the next seven months. In fact, based on actual first quarter data and projected volume, USSC's 1982 product shipments will be at the lowest level in 43 years (since 1939).

There is no one factor responsible for the current problems. Undoubtedly, the general state of the U. S. economy is a major factor but we also believe that foreign imports, high energy costs, and last, but not least, environmental costs are contributors.

To give you some idea of the environmental cost factor, the following information indicates the significant capital investments that have been required at the three plants.

1. Gary Works has invested \$179 million in air pollution control and \$98 million for water controls for a total of \$276 million. In 1980 dollars this would amount to \$474 million for this one plant.
2. At South Works \$49 million has been invested in air controls and \$40 million for water controls. This would amount to \$167 million in 1980 dollars.
3. At Lorain Works, \$75 million and \$23 million were invested in air and water controls, respectively. This would amount to \$68 million in 1980 dollars.

The foregoing \$403 million in air and water controls (\$711 million in 1980 dollars) for these three plants is just part of the problem. The operating costs are approximately \$125 million per year. Unfortunately, these high costs usually continue despite reduced operating rates that we are currently experiencing.

The aforementioned economic problems have prompted the Corporation to look for ways to reduce cost and expenses. All cost factors can have an overall effect on reducing expenses and further personnel cutbacks.

United States Steel has assessed many different plans for reducing costs and included in these plans are several environmental areas which we propose to discuss with you on June 17, 1982. They are as follows:

1. Gary Works "air bubble"
2. Gary Works NPDES Permit
3. Gary Works water control stipulation with State of Illinois and Metropolitan Sanitary District of Greater Chicago
4. South Works air consent decree
5. South Works NPDES Permit
6. Lorain Works "air bubble"
7. Lorain Works NPDES Permit

I realize that these are a lot of areas to cover at one meeting but we intend to discuss general concepts at that time and my staff is putting together information for more detailed meetings that can follow.

It is requested that because of its sensitive nature, the subject matter of this letter be treated as confidential business information.

Again, I look forward to our meeting.

Very truly yours,



P. X. Masciantonio  
Vice President  
Environment & Energy

MAH/etp